

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the)
Certification to Conduct Gambling)
Activities of:)
)
John T. Cavitt)
Burlington, Washington,)
)
Class III Employee.)

NO. CR 2012-00620

**NOTICE OF ADMINISTRATIVE
CHARGES, AND OPPORTUNITY FOR
AN ADMINISTRATIVE HEARING**

I.

The Washington State Gambling Commission issued John Cavitt certification¹ number 69-10674, authorizing Class III Employee activity.

The Commission issued this certification, which expires on February 28, 2013, subject to the certified employee's compliance with state gambling laws and Commission rules.

II.

Rick Day, Director of the Washington State Gambling Commission, charges the Class III employee with the following violations of the Swinomish Tribal/State Compact, Washington State Gambling Act, 9.46 RCW, and WAC Title 230.

SUMMARY:

John T. Cavitt holds a Class III Certification (certification) issued by the Washington State Gambling Commission that is effective until February 28, 2013. Mr. Cavitt held a tribal license (license) through the Swinomish Tribal Gaming Agency (STGA) to work at Northern Lights Casino as a Security Officer. On March 19, 2012, STGA revoked Mr. Cavitt's license because he failed to disclose to them that in 2010 the Tulalip Tribal Gaming Agency (TTGA) revoked his license. Mr. Cavitt also failed to disclose the revocation to the State Gaming Agency (SGA). His license was revoked by TTGA because he committed a theft of \$19 from the casino.

FACTS:

1) At a routine SGA/TGA meeting on April 18, 2012, TTGA notified SGA of Mr. Cavitt's revocations from TTGA in 2010 and STGA in 2012. A Washington State Gambling Commission Special Agent (agent) subsequently received Mr. Cavitt's file to investigate whether he continues to qualify for certification. The agent reviewed Mr. Cavitt's licensing file as part of the investigation and requested the revocation documents. TTGA provided SGA with a copy of their Violation Report, Surveillance Report, Witness Statements, a statement from Mr. Cavitt,

¹ Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

Notice of Summary License Suspension Pending Revocation, Order on Initial Review Hearing of Summary Suspension Pending Revocation, and Final Notice of Revocation. On March 27, 2012, STGA provided SGA with a copy of their Findings of Background Investigation for the Swinomish License and a copy of a letter to Mr. Cavitt notifying him his license had been revoked.

2) Mr. Cavitt did not disclose to STGA his revocations with TTGA. On March 19, 2012, the National Indian Gaming Commission² notified STGA of Mr. Cavitt's 2010 TTGA revocation, which prompted the STGA's revocation of Mr. Cavitt's 2012 certification.

3) Mr. Cavitt first applied for and was granted certification to work at the Upper Skagit Casino in 2000. He maintained his certification on and off since then and has also worked at the Swinomish Casino, Stillaguamish Casino, and Tulalip Casino.

4) On February 9, 2010, a Tulalip Violation Report was opened after TTGA was informed of an employee theft. The report states that a Slot Attendant (Attendant) was in the process of paying out a jackpot of \$1,380 and received \$1,300 in \$100 bills and \$80 in \$20 bills at the Cage for payout. As the Attendant walked to the customer to pay the jackpot, a \$20 bill dropped on the ground. Mr. Cavitt picked up the \$20 bill and proceeded to the Employee Services window of the Cage to turn the bill in. However, instead of turning the \$20 bill he picked up, Mr. Cavitt returned a \$1 bill.

5) Mr. Cavitt was interviewed about the incident. During the interview, Mr. Cavitt said that he picked up some money on the floor and turned it in, but forgot to call Surveillance to advise them. Mr. Cavitt knew what the "found money" policy was. When Mr. Cavitt was advised there was surveillance showing that he turned in a \$1 bill and not the \$20 he picked up off the floor, he stated "he messed up and can't sit there and lie." He said he has financial problems due to the IRS garnishing his wages but there was no excuse for what he did. When Mr. Cavitt was asked if he had done this type of thing before, he replied he hadn't. Mr. Cavitt completed a written statement admitting to the theft.

6) On February 9, 2010, the Attendant who received the Jackpot payout money completed a statement. The Attendant said they got \$1,380.40 from the cage and dropped some by accident. Another employee also provided a statement stating that while doing a Jackpot payout, they noticed the winner was shorted \$20. They contacted the Cage and confirmed they were given the correct amount, but \$20 was dropped on the way to paying the winner.

7) Mr. Cavitt also provided a statement about the incident. He said, "On 2/29/10 while patrolling the Casino floor I was walking past the Cash Cage and saw a \$20 bill on the floor. Instead of calling Control over the radio and informing them that I was picking up \$20 and taking it to the Cage, I picked up the \$20 placed it in my pocket and replaced it with a \$1 bill which I turned into the Cage. I realize what I did was wrong and that theres [sic] no excuse for it. I will return the \$20 I took, and whatever consequence I must face, I accept."

² The National Indian Gaming Commission is a federal agency that regulates gaming activities on Indian lands for the purpose of shielding Indian tribes from organized crime and other corrupting influences; to ensure that Indian tribes are the primary beneficiaries of gaming revenue; and to assure that gaming is conducted fairly and honestly by both operators and players.

8) Immediately following the incident, Mr. Cavitt was issued a Notice of Summary Suspension Pending Revocation. The document states that Mr. Cavitt's license was summarily suspended based on the incident.

9) On February 16, 2010, an Order on Initial Review Hearing of Summary Suspension Pending Revocation was filed in the Tulalip Gaming Court. The document states that the Court upheld the summary suspension of Mr. Cavitt's license pending a full appeal hearing. On February 24, 2010, a Final Notice of Revocation was issued.

10) The agent reviewed the application received by SGA on February 29, 2012. Mr. Cavitt marked the "no" box, indicating that he did not have any criminal history or have a gambling license revoked.

11) The agent also reviewed the documentation that STGA submitted for their revocation. On March 27, 2012, Ron Williams, Executive Director, STGA, signed off on a Findings of Background Investigation for the Swinomish license based on an investigation into Mr. Cavitt's suitability to be licensed. The documents state that STGA found Mr. Cavitt's license had previously been revoked by TTGA and that Mr. Cavitt neglected to disclose this material fact on his tribal license application. The recommendation was that Mr. Cavitt's license be revoked.

12) On March 28, 2012, Mr. Williams sent Mr. Cavitt a letter explaining that his license had been revoked. The letter states that STGA was notified by the National Indian Gaming Commission about the results of Mr. Cavitt's background investigation. During a follow-up investigation, STGA found that he failed to disclose information regarding a previous action taken against his gaming license that resulted in the revocation of his license.

Mr. Cavitt has failed to establish clearly and convincingly that he is qualified for certification, as required by RCW 9.46.153(1). As a result, there are grounds to revoke John T. Cavitt's certification based on the Swinomish Tribal/State Compact, RCW 9.46.075(1), (3), (7), and (8), and WAC 230-03-085(1), (7), and (8).

VIOLATIONS:

Swinomish Tribal/State Compact:

V.C. Grounds for Revocation, Suspension, or Denial of State Certification

The State Gaming Agency shall grant, deny, revoke or suspend a State certification based on the standards established in RCW 9.46.075. In general, certification may be denied if the applicant:

V.C. (1) Is determined to be a person whose prior activities, criminal record, if any, or reputation, habits or associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted pursuant to this Compact or has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal/State Compact.

V.C. (2) Has failed to provide any information reasonably required to investigate the application for state certification or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

V.C. (3) Has had a tribal gaming license revoked or denied during the twelve (12) months prior to the date of receipt of the application; is currently on probation; or has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

V.C. (4) The State Gaming Agency may consider any prior criminal conduct and/or current probationary status of an applicant or holder of certification, and the provisions of RCW 9.95.240 and of Chapter 9.96A RCW shall not apply to such cases.

RCW 9.46.075 Denial, suspension, or revocation of certification, application, or permit

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(3) Has obtained a license or permit by fraud, misrepresentation, concealment, or through inadvertence or mistake.

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission.

(8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, certified employee, or anyone holding a substantial interest in the applicant's or certified employee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us; or

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities; (b) Criminal record; and (c) Reputation.

RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted. The certified employee's pending criminal charges demonstrate that the Class III employee poses a threat to the effective regulation of gambling, creates, or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities.

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I hereby certify that I have this day served a copy of the document upon all parties of record, and am proceeding by mailing a copy thereof, properly addressed with postage prepaid, by registered and certified mail to each party to the proceeding, and I have retained a copy of the same for my files.

Dated at _____ this _____ day of _____, 2012.

Washington State Gambling Commission
Communications and Legal Department

STATE OF WASHINGTON
()
COUNTY OF THURSTON
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III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

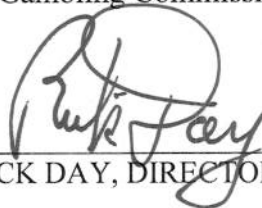
The certified employee will have the opportunity to have a hearing on the alleged violations.

In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission within 23 days from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return a request for hearing will result in the entry of a default order REVOKING your certification.

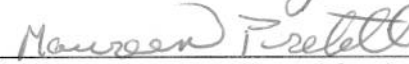
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.



RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 2 day of August, 2012.



NOTARY PUBLIC in and for the State of
Washington residing at Thurston County
My Commission expires on December 2, 2015

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 2 day of August, 2012



Communications and Legal Department
Washington State Gambling Commission

